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Comptroller of the Currency  
Administrator of National Banks

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Western District Office  
1225 17<sup>th</sup> Street, Suite 300  
Denver, Colorado 80202  
720-475-7650; Fax: 301-333-7010

**Conditional Approval #737**  
**April 2006**

March 27, 2006

Gary M. Horgan  
Horgan, Rosen, Beckham & Coren  
23975 Park Sorrento, Suite 200  
Calabasas, California 91302-4001

Re: First Coastal Bank, National Association  
Manhattan Beach, California  
Application for Limited Fiduciary Powers  
OCC Control No.: 2006-WE-12-0017

Dear Mr. Horgan:

The Comptroller of the Currency (OCC) has conditionally approved your proposal for the referenced Bank to conduct fiduciary powers pursuant to 12 USC 92a. This approval constitutes a permit to conduct the fiduciary powers requested in your application [12 CFR 5.26(e)(4)]. Per your application, the fiduciary powers will be limited to offering investment advice for a fee, and no other fiduciary services will be offered at this time.

This approval is granted subject to the following specific condition:

The Bank: (i) shall give the Southern California-North Field Office at least sixty (60) days prior written notice of the Bank's intent to significantly deviate or change from its trust department's business plan or operations and (ii) shall obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its trust department business plan or operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to a bank's notice.

The condition of this approval is a condition "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 USC 1818. As such, the condition is enforceable under 12 USC 1818.

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The OCC must approve any trust management change the bank makes prior to commencing fiduciary activities, and the bank must notify this office in writing within 10 days after commencing trust activities.

The board of directors must provide for the establishment and administration of the trust department (or fiduciary operation) either through the adoption of amendments to the bylaws or by appropriate resolutions. You will note that 12 CFR 9.4 places responsibility on the board of directors for the proper exercise of the bank's fiduciary powers. However, the board may decide whether it shall supervise the administration of all such powers directly or assign any function related to such powers to any director, officer, employee, or committee.

The board should also provide:

- A proper delineation of duties for trust officer(s) and committee(s).
- Adherence to the self-dealing and conflicts of interest provisions under 12 CFR 9.12.
- The designation of the officers or employees responsible for custody of the trust investments in conformity with 12 CFR 9.13(a) (if applicable).

The establishment and administration of the trust department may appear in the bylaws or in the board resolutions, or partly in the bylaws and partly in the resolutions. After adoption, a copy of those provisions should be furnished to the trust officer(s) for guidance.

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Under separate cover, the OCC's Communications Division will mail to you booklets of the *Comptroller's Handbook* that pertain to asset management. The trust officers and staff should become thoroughly familiar with "Fiduciary Activities of National Banks" at 12 CFR 9 (copy enclosed).

The trust activities should begin within 18 months of this approval, unless we grant an extension. If the bank decides to surrender its fiduciary powers, it must notify the OCC in accordance with 12 CFR 9.17(a).

A separate letter is enclosed requesting your feedback on how we handled your application. We would appreciate your response so we may improve our service.

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If you have any questions, contact Senior Licensing Analyst Jim Bundy at (720) 475-7650.

Sincerely,

/s/

Ellen Tanner Shepherd  
Director for District Licensing

Enclosures: 12 CFR 9  
Survey